

## Medicare and the Marketplace: 5 Things Your Clients Need to Know

The initial open enrollment for the Health Insurance Marketplace runs from Oct. 1, 2013-Mar. 31, 2014, with coverage beginning as soon as Jan. 1, 2014. Many of your clients with Medicare may want to know what the Marketplace means for them. Here are 5 facts about the Marketplace to share with people who have Medicare or are soon-eligible for Medicare:

- 1. The Marketplace is not for people with Medicare.** Remember, the Marketplace is geared primarily toward those who are under 65 and uninsured, underinsured, or seeking additional health coverage options. People with Medicare already have “minimum essential health insurance coverage,” so they do not need to consider the Marketplace. In fact, it’s illegal for someone to sell them a Marketplace plan if they are enrolled in premium-free Medicare Part A and/or Part B.
- 2. People eligible for Medicare cannot get Marketplace subsidies.** People who buy a Marketplace plan and then become eligible for Medicare will automatically lose any Marketplace subsidy. The plan will send them a notice explaining this, although it’s still unclear how soon they get this notice. For most, the Marketplace plan without subsidies will be financially unfeasible. Therefore, the bigger and more important message to share with them is that they should be sure to enroll in Medicare on time, during their Initial Enrollment Period. Then, they should strongly consider disenrolling from their Marketplace plan.

**Note:** If they decide they no longer want their Marketplace plan, they need to contact their plan to end coverage (the plan cannot automatically disenroll them). If they decide they want to keep their Marketplace plan, the plan (in most cases) will pay after Medicare, although it’s still unclear how Medicare will coordinate coverage with Marketplace plans.

- 3. Some clients may find the Marketplace as an important option.** Most people with Medicare will not need to consider the Marketplace. However, there are some exceptions:
  - **People under 65, disabled, and waiting for Medicare eligibility:** Most people under 65 are eligible for Medicare after collecting Social Security Disability Insurance (SSDI) benefits for 24 months (people with ESRD and ALS are eligible for Medicare sooner). The Marketplace is an important option for these people to consider while they wait for Medicare. However, once they become eligible for Medicare, they should enroll in Medicare on time, and strongly consider disenrolling in their Marketplace plan (since they will lose any Marketplace subsidies).
  - **People who are not eligible for Premium-free Part A:** Although a small group, there are some who have not earned enough working credit, and therefore, are not

entitled to premium-free Part A. They have to buy Part A, which (in 2013) is \$441 per month. These people may want to carefully weigh their options between paying for Medicare versus buying a Marketplace plan. However, if they choose the Marketplace plan, they need to know that they will have a late-enrollment penalty for not enrolling in Medicare on time which can become quite costly.

**4. Marketplace coverage may or may not provide creditable drug coverage.** It's still unclear whether all drug coverage in the Marketplace is considered "creditable drug coverage" (coverage as good as Medicare's basic drug benefit). Therefore, anyone who is eligible for Medicare and gets coverage either through the individual Marketplace or through the Small Business Health Options Program (SHOP) Marketplace should be sure and enroll in Part D on time, during their Initial Enrollment Period, *unless they can confirm that the drug plan provides creditable drug coverage*. Insurance plans should be providing members with this information, and in writing. Otherwise, your clients will have to pay a lifetime penalty for late enrollment.

**5. Connect your clients to Marketplace resources for more information.** The Marketplace will provide various venues to help consumers understand their options and get personalized help, including Navigators, non-Navigator in-person assisters, and certified application counselors (CACs). [Learn more about what each of these is, and the differences among them.](#)

Direct your clients with additional questions to visit [www.healthcare.gov](http://www.healthcare.gov) (the official Marketplace website) or contact the Marketplace call center (available 24/7) at **1-800-318-2596**.

### Additional Resources

- For more information, read the Center's fact sheet, [What the Marketplace Means for People Ages 55-64](#).
- Get the Centers for Medicare & Medicaid (CMS) Marketplace Fact Sheet, [Medicare & the Health Insurance Marketplace](#)
- Sign-up for email or text updates at: [www.Healthcare.gov/subscribe](http://www.Healthcare.gov/subscribe)
- Visit the regularly updated Health Insurance Blog at: <http://www.healthcare.gov/blog>
- Check out the Health Insurance Marketplace official website at: <https://www.healthcare.gov/>
- See the Center for Consumer Information & Insurance Oversight (CCIIO) at: <http://www.cms.gov/CCIIO/index.html>, and specifically Health Insurance Marketplaces at: <http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/index.html>